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TAGS: [EAGR](#) [PGOV](#) [PREL](#) [SOCI](#) [RS](#)
SUBJECT: A BRIBE TOO FAR? THE SACKING OF CVO NEPOKLONOV

REF: A. MOSCOW 36
[1](#)B. MOSCOW 558

Classified By: Allan Mustard, AgMinCouns, for reasons 1.4(b) and (d)

[1](#)1. (C) SUMMARY: Moscow's agricultural rumor mill buzzed this winter and spring with word that MinAg's notoriously corrupt Chief Veterinary Officer, Yevgeniy Nepoklonov, was variously in hiding, suffering from gunshot wounds, or under indictment. Nepoklonov eventually resurfaced in Moscow, but only after having been quietly fired as CVO. The informal word on the street is that Nepoklonov was scapegoated for having gone too far in his corrupt activities -- but even so, he not only won't do jail time, he won't even be indicted, and may end up with a cushy sinecure. END SUMMARY.

[1](#)2. (C) In late January 2008, Russian Chief Veterinary Office (CVO) Yevgeniy Nepoklonov abruptly disappeared "on vacation for health reasons". Embassy learned of this when AgMinCouns called the Veterinary and Phytosanitary Surveillance Service to follow up on Nepoklonov's request, made in mid-January, that AgMinCouns come see him as soon as possible (AgMinCouns at that time was departing Moscow imminently, so the meeting had to be postponed.) Nepoklonov remained "on vacation in Europe" throughout February, then in March reappeared in Moscow though still "on vacation," with other veterinary officials signing letters in his stead. As weeks went by, it became clear that Nepoklonov would not return as CVO, and that appointment of Nikolay Vlasov as Russia's new CVO was in the works. The tale of Nepoklonov's firing, as best we can piece it together, is one of corruption having gone just a bit too far.

[1](#)3. (C) Embassy has reported on the November 2007 arrest of the chief veterinary officer of Moscow Oblast, Aleksey Volkov, and the linkage of his corrupt activities to Russia's then-CVO Nepoklonov (REF A). While certainly a blow to Nepoklonov and his overseers (Veterinary and Phytosanitary Surveillance Service Head Sergey Dankvert and Agriculture Minister Aleksey Gordeyev, among others), sources tell us the Volkov case was not quite enough to have led to Nepoklonov's ouster -- but it provided Gordeyev with the excuse he needed to can Nepoklonov for some of his other transgressions.

CONFLICT OF INTEREST

¶4. (C//NF) The straw that broke the steer's back was apparently Nepoklonov's refusal to issue permits for imported veterinary pharmaceuticals that compete with products of his multiple personal pharmaceutical companies. Nepoklonov's firms' inferior medications were a major factor in the shockingly high mortality rate of very expensive foreign livestock imported under the National Priority Project for Agriculture (REF B). Lorin Grams (strictly protect), a U.S. citizen managing a dairy farm in Rozhdestvo village, Vladimir Oblast, told us the head of the All-Russian Institute for Livestock in Vladimir confessed that in the aggregate, imported cattle had suffered a 48 PCT death rate over two years, due to a combination of incompetent herd management, inadequate nutrition and bad veterinary care. In particular, Grams said, use of Nepoklonov's firms' pharmaceuticals increased animal mortality -- herds receiving Nepoklonov's firms' vaccines had higher death rates than herds that were not vaccinated at all. Andrey Zhuravlev, head of the Russian Interregional Beef Foundation (and himself an importer of live cattle for breeding) confirmed Grams's information and added that AgMin Gordeyev had personally reacted angrily to reports that Nepoklonov was single-handedly undermining one of his pet projects.

¶5. (C//NF) Aleksandr Rasskazov (strictly protect), MinAg's deputy director for rural development, explained to us that this combination of factors led to Nepoklonov's dismissal. In effect, his corrupt conflict of interest in reserving the veterinary pharmaceutical market solely for himself was not enough to force Gordeyev to act, Rasskazov said, even though it was undermining the national project, but when the Volkov case broke, it gave Gordeyev an excuse to act. In late January Nepoklonov was shown a dossier the procuracy had

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collected on his corrupt activities and given the choice of resigning or being indicted. He chose to resign, and before the resignation took effect, took his family to an unspecified location in western Europe for roughly a one-month getaway.

THERE AND BACK AGAIN

¶6. (C) Nepoklonov's disappearance sparked rumors, some verging on the bizarre: that he had hired bodyguards to protect himself from angry competitors, that he had been shot and was in hospital in Europe, that his bodyguards had been assassinated, that he had moved to western Europe and would never return for fear of being indicted. Nepoklonov resurfaced in March, when German Agricultural Counselor Judith Kons bumped into a healthy-looking Nepoklonov on the steps of the Duma. In March, Stavropol Agrarian University Rector Vladimir Trukhachev (protect), himself a veterinarian, told us Nepoklonov had resigned to avoid being indicted but had now weathered the worst of the storm and was bucking for appointment as rector of the Moscow Veterinary Academy (the position opens in May 2008). Trukhachev expressed doubts that Nepoklonov would get such a plum job after being fired as CVO, saying, "he doesn't have a lot of friends," but others have told us Nepoklonov may well land a job as director of one of Russia's numerous veterinary institutes.

¶7. (C) Most MinAg contacts have been silent on Nepoklonov's abrupt departure. For example, when we asked Ivan Rozhdestvenskiy, Director of the Department of Veterinary Medicine in MinAg, why Nepoklonov left, he shrugged that he does not know and didn't want to speculate (COMMENT: Rozhdestvenskiy is extremely well plugged in, is close to Gordeyev and Dankvert, and certainly is in the loop. END COMMENT). Veterinary officials have as a rule been very circumspect with us as well, though they were willing to confirm that Nepoklonov had been "removed" (as opposed to the official line that he resigned voluntarily "for personal

reasons") and to keep us posted about progress in getting Vlasov appointed as Nepoklonov's successor.

COMMENT

18. (C) In Russia, once you are a member of the club -- what in communist times was the nomenklatura -- you rarely have to worry about being sent to jail for serious violations of law.

Rather, the punishment is to be privately disgraced and, in extreme cases, stripped of assets you acquired through your corrupt activities. The heavy betting is that Nepoklonov, as a scapegoat for Dankvert, Gordeyev, and their Kremlin masters in the Volkov case, will not be stripped of his ill-gotten wealth. Volkov, however, almost certainly will be relieved of his assets in a process known by the Russian verb "obut'" (literally, to shoe). After that, Volkov will likely receive a suspended sentence for his crimes and be released back to society, presumably to prosper in the private sector.

Nepoklonov, on the other hand, will most likely not even get that much of a slap on the wrist. Rumor has it Nepoklonov paid USD 250,000 in bribes for the CVO position five years ago. From a financial angle, we suspect it was a sound investment.

BURNS